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**ATTACHMENT A**

## Findings of Fact

1. Forests can emit and sequester carbon dioxide (CO<sub>2</sub>).
2. The average residential customer will pay a CPT premium of approximately \$4.31 a month (\$51.72 per year based on a CPT premium of \$0.00254 per kWh and \$0.06528 per therm), ~~before A&M costs.~~
3. CCAR has already developed a forestry protocol, which focuses on forest management, conservation, and reforestation projects.
4. PG&E is one of a large number of members of CCAR.
5. PG&E arrived at its \$12 million marketing budget by calculating how many customers it believes it can attract to the program, and assigning a dollar value to acquire each customer. PG&E terms this its "acquisition cost methodology."
6. PG&E's \$9.71 per ton GHG reduction cost figure is the expected average cost per ton over the 2007-2009 period, based on the E3 Report. ~~contradicted by other evidence in the record.~~ The true cost per ton could differ depending on the types of projects and other developments in the emerging market for CO<sub>2</sub>-equivalent reductions.
7. ~~If CPT premiums are~~ would already be tax deductible for businesses who enroll and if the CPUC takes later action to make them deductible for residential customers, such deductibility ~~this fact will allow all business and some residential customers (who itemize) to later recoup some of their CPT payments. reduce the real premium paid by customers who itemize deductions on their tax returns.~~
8. Because PG&E's proposed A&M expenses include start-up costs, the proportion of A&M to total program revenues will decrease as the three-year demonstration program progresses and enrollments ramp-up. ~~are out of proportion to the revenues it will generate from customers who opt for the CPT.~~
9. Given that the CPT is a start-up demonstration program, PG&E has need not demonstrated that its ~~CPT program~~ is cost effective.
10. The benefits of GHG emission reductions resulting from the offsets procured on behalf of program participants are global in nature.
11. The co-benefits associated with forestry projects and other offsets procured on behalf of program participants accrue principally to parties other than the participants themselves.
12. Education to PG&E customers about the risks of global warming and means to reduce these risks is a public benefit of the CPT program.
13. PG&E will learn about how to procure GHG reductions and offsets as

part of its CPT. Such experience should assist PG&E in complying with AB 32, the California Global Warming Solutions Act of 2006.

14. Assigning the A&M costs of the CPT to all PG&E ratepayers is consistent with ratepayer support in the context of other utility programs characterized by substantial public benefits including energy efficiency, the SGIP, and the CSI.
15. Assigning the A&M costs to all ratepayers would have negligible bill impacts, estimated at 2 to 4 cents per month for PG&E's typical residential customer.
16. Assigning the A&M costs to program participants would substantially increase the costs of participation.
17. As the costs of program participation increase, participation rates will likely decline.
18. PG&E's shareholders ~~will~~ may indirectly benefit from the CPT, at the very least through enhanced goodwill for the company, as is the case with other public purpose programs in which program administration and marketing costs are assigned to all ratepayers.
19. PG&E already works with charitable groups on shareholder-funded programs, however it does not do so in tariffed rate programs or by order of the Commission.
20. More than 60% of customers PG&E surveyed said they would be more likely to sign up for the voluntary rate premium if PG&E would contribute some of its own shareholders' profits to the fund.
21. Under the CPT, revenues collected may be spent far into the future on long-term contractual commitments. Under this scenario, millions of dollars collected today might not be spent for 10 or 20 years, as long-term contractual obligations come due.
22. Development of new protocols for non-forestry offsets will benefit the CPT program by mitigating the risks associated with an all-forestry offset program.

## **Conclusions of Law**

1. We should condition our approval of PG&E's application on several "accountability" measures to ensure funding is spent wisely.
2. PG&E should make regular reports to the Commission so we can determine how the program is working.
3. The Commission has required that all ratepayers bear the costs of innovative programs such as the California Solar Initiative and the energy efficiency program.
4. Given the program's expense, PG&E should guarantee that the program achieves a certain minimum of GHG reductions.

5. PG&E should explore tax deductibility of CPT premiums for residential customers, as deductibility for business customers already exists.
6. PG&E should share its marketing plans ~~work~~ with the Commission and the EAG ~~on how best to market the program.~~
7. PG&E should to the maximum extent possible use recycled products for its marketing materials.
8. ~~Any~~ All certified GHG reductions achieved under used in the CPT program ~~should~~ must be permanently retired such that they cannot be sold or traded. No retired reduction may be used to meet an existing or future mandated emission standard or emission reduction requirement. to avoid double counting. The reductions from PG&E's program may not be used to meet any other emissions reduction obligation, voluntary or mandatory.
9. PG&E should share key learnings from the CPT program with other interested parties.
10. PG&E should allow the CCAR to develop new protocols independently.
11. ~~Use of~~ Manure management programs may receive CPT funding once a CCAR protocol becomes final. As discussed in ~~that are part of the~~ Commission's RPS program, inclusion in the CPT does not ~~may~~ result in double counting of emissions reductions.
12. Given the lag between collection of program revenues and payment under long-term GHG reduction contracts, it does not make sense for program revenues to earn a short-term interest rate.